



ASSAMBROOK LIMITED

REPORT AND ACCOUNTS

18 MONTH PERIOD ENDED 30 SEPTEMBER 2003

ASSAMBROOK

BOARD OF DIRECTORS

SURENDRA RAMPURIA
Managing Director

SIDDHARTH RAMPURIA
Wholetime Director

AMITABHA GHOSH
M. P. WADHAWAN
G. MOMEN

RINA MADIA (JAIN)
Company Secretary

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AUDITORS
CLARK, GARDNER, WOLF & CO.

BANKERS

BANK OF INDIA
ALLAHABAD BANK
UNION BANK OF INDIA
THE CATHOLIC SYRIAN BANK LIMITED

ASSAMBROOK LIMITED

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Kolkata-700 071
India

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REPORT AND ACCOUNTS

18 MONTH PERIOD ENDED 30 SEPTEMBER, 2003



NOTICE

NOTICE is hereby given that the Adjourned 55th Annual General Meeting of the Company will be held at "KALAKUNJ", 48, Shakespeare Sarani, Kolkata 700 017 on Friday, 20 August, 2004 at 10.00 a.m. to transact the Ordinary business as stated below :

1. To receive, consider and adopt the audited Balance Sheet for the eighteen month period ended as at 30 September, 2003 and the audited Profit and Loss Account for the period ended on that date together with the Report of Auditors and Directors thereon..

Registered Office :

1, Shakespeare Sarani,
Kolkata 700 071

Dated : 29 June, 2004

By Order of the Board

Rina Madia (Jain)
Company Secretary

NOTES :

1. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be backed by appropriate resolution/authority as applicable, issued on behalf of the organisation.
2. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividend for the year 1995-96 remaining unpaid or unclaimed for a period of seven years from the date of transfer of these amounts to the Unpaid Dividend accounts of the Company shall be transferred to a fund called Investor Education and Protection Fund ("IEPF"). No claim of the shareholder thereof shall lie against the Company or the IEPF.

Members are requested to send unclaimed/unpaid dividend warrants, if any, for the years 1996-97 to 2000-2001 to the Registered Office of the Company at their earliest, for payment in lieu thereof.

3. Members desiring a nomination under Section 109A of the Companies Act, 1956 are requested to file the prescribed Form 2B.
4. Members who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
5. Shareholders are requested to notify their bank particulars giving the name of the bank and the branch and the nature of account to the Company's Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata - 700 001. The Shareholders may please note that under instructions from the Securities and Exchange Board of India ("SEBI"), furnishing of bank particulars by the shareholders has become mandatory.
6. In terms of the SEBI's Circular dated 27 December, 2002, all work related to share registry in terms of both physical and electronic are being maintained by M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700 001.
7. Shareholders are requested to advise any change in address immediately to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited.

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DIRECTORS' REPORT

The Annual Report of the Directors together with the Audited Accounts of the Company for the eighteen month period ended as at 30 September, 2003.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	For the 18 month period ended 30 September, 2003	For the year ended 31 March, 2002
Profit before Depreciation & Taxation	(601.89)	138.51
Deduct Depreciation	176.39	114.42
Profit before Taxation	(778.28)	24.09
Deduct Provision for Taxation - Current	-	0.74
Add : Provision for Taxation - Deferred	296.60	128.62
Profit after taxation	(481.68)	151.97
Balance brought forward from previous year	573.09	421.12
Amount available for appropriation	91.41	573.09
APPROPRIATIONS :		
General Reserve	-	-
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Balance carried forward	91.41	573.09

2. DIVIDEND :

In view of the losses sustained and an uncertain future, your Directors regret to recommend any dividend to the Members for their approval.

3. OPERATIONS :

The Tea Industry during the period witnessed extremely unfavourable operating conditions. Higher crops, lower exports and a surfeit in availability of medium and plainer quality teas in the domestic market combined to drive Indian tea prices down in 2003. Price averages recorded a decline both in North and South India compared to the previous year. Rising input costs added to the industry's woes, trapping most tea companies in a tight financial bind for most of the year. Ample availability of medium and plain quality CTC teas at depressed prices in 2003 facilitated the entry of many new players at the lower end of the domestic packet market, commonly known as the popular segment.

Owing to a lockout in the Mananthavady Group in Kerala, the Company has suffered a production loss and the resultant effect on the bottomline. There has again been a lockout in the Mananthavady Group since 1 March, 2004. The final handing over of possession has been delayed owing to this and it is expected that the scenario would improve shortly and the transfer would take place at the earliest.

DIRECTORS' REPORT (Contd.)

4. SUBSIDIARY :

Pursuant to Section 212 of the Companies Act, 1956 the Audited Statement of Accounts along with the Report of the Board of Directors of the subsidiary company is enclosed with the Report.

5. CONSOLIDATED FINANCIAL STATEMENT :

As required by Accounting Standard 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India, the consolidated financial statement is also enclosed.

The consolidated accounts have been prepared on the basis of Audited Financial Statements received from the subsidiary company and as approved by their Board.

6. AUDITORS' REPORT :

The Auditor's observations have been dealt with in the notes which are self explanatory and do not require further clarification.

7. AUDITORS :

Clark, Gardner, Wolf & Co., Chartered Accountants, who retired at the 55th Annual General Meeting of the Company held on 26 March, 2004 and adjourned sine die, were reappointed as Auditors to the Company to hold office from the conclusion of the said meeting until the conclusion of the next Annual General Meeting.

8. DIRECTORS :

Shri M.P. Wadhawan and Shri G. Momen who retired by rotation in the 55th Annual General Meeting of the Company held on 26 March, 2004 and adjourned sine die, were reappointed at the said meeting.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2A) of the Companies Act, 1956 ("the Act") your Directors state and confirm the following :

- (i) That in preparation of the Company's Annual Accounts for the period ended 30 September, 2003, the applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That such accounting policies were selected and applied consistently and the judgements and estimates were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period ended 30 September, 2003 and of the loss of the Company for that financial period.
- (iii) That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularity, were taken.
- (iv) That the annual accounts were prepared on the basis of a going concern.

10. SCHEME OF ARRANGEMENT :

The Board has approved a revised Scheme of Arrangement between the Company and its subsidiary ABL International Limited pursuant to Sections 391 and 394 of the Companies Act, 1956, subject,



DIRECTORS' REPORT (Contd.)

however, to the sanction by the Hon'ble High Court at Calcutta and the approval by the Members and other requisite approvals, both statutory and procedural. Under the said Scheme, the assets as well as the liabilities of ABL International Limited shall stand transferred and vested with the Company with effect from 1 January, 2004. It is hoped that this merger would bring beneficial effect on the Company's financial position and performance.

11. FIXED DEPOSITS :

The Company has further filed a petition for reschedulement of the payment of fixed deposit on 4 August, 2003 before the Company Law Board, Eastern Region Bench, Kolkata. However, the same is pending adjudication. Meanwhile, the Company is taking all reasonable steps to repay the unpaid amount of fixed deposits as per the Order dated 24 September, 2002 of the Company Law Board.

The Company has not accepted/renewed deposits during the period under review.

12. CORPORATE GOVERNANCE :

Your Company has taken necessary measures to comply with the Corporate Governance Code as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed to this report.

13. PERSONNEL :

Your Directors record their appreciation for the co-operation extended by all the employees.

Since none of the employees of the Company was in receipt of remuneration exceeding Rs. 24.00 lacs per annum where employed for full year or Rs. 2.00 lacs per month where employed for a part of the year, no particulars are required to be furnished as per Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 (as amended).

However, it is regretted that the Mananthavady Group in Kerala is under lockout since 1 March, 2004.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The particulars required in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 are given in the annexed statement.

15. APPRECIATION :

Your Directors also thank the Banks and Financial Institutions for their support. Your Directors also gratefully acknowledge your support as Shareholders.

Registered Office :
1, Shakespeare Sarani
Kolkata - 700 071
Dated : 29 June, 2004

By Order of the Board

Surendra Rampuria
Managing Director
Siddharth Rampuria
Wholetime Director

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the report of Board of Directors' Rules, 1988) and forming part of the Directors' Report for the period ended 30 September, 2003.

'FORM A'

	For the 18 month period ended 30 September, 2003	For the year ended 31 March, 2002
A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
Unit(kWH)	47778.15	32212.32
Total Amount(Rs. in lacs)	237.95	128.72
Rate/Unit(Rs.)	4.98	4.00
b. Own Generation		
(i) Through Diesel Generator :		
Units (in kWH)	10520.03	9720.72
Unit per Ltr. of Diesel Oil(kWH)	1.45	2.02
Cost/Unit (Rs.)	8.69	7.26
(ii) Through Steam Turbine/Generator Units :		
Unit per Ltr. of Fuel Oil/Gas	-	-
Cost/Unit (Rs.)	-	-
2. COAL (KHASHI/LEDO-ROM/LECO for drying of Tea)		
Qty.(MT)	3381.97	2738.55
Total Cost (Rs. in lacs)	73.08	55.56
Average Rate(Rs.)	2160.76	2028.80
3. Furnace Oil		
Qty.(K.Ltrs.)	747.16	267.67
Total Cost(Rs. in lacs)	121.84	32.40
Average Rate (Rs.)	16306.58	12105.73
4. Others/Internal Generation		
Firewood for drying of Tea (Qty.)	4529.16	2452.08

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ANNEXURE TO DIRECTORS' REPORT (Contd.)

	For the 18 month period ended 30 September, 2003	For the year ended 31 March, 2002
Total Cost (Rs.in lacs)	59.41	51.22
Average Rate (Rs.)	1311.75	2088.84
B) CONSUMPTION PER UNIT OF PRODUCTION		
Product(Tea) (Gross in lac kgs.)	73.38	50.35
Electricity(KWH/Kg)	0.79	0.83
Furnace Oil (Ltr./kg.)	0.37	0.29
Coal (kg/kg)	1.31	1.35
Others	1.60	1.18

"FORM B"

TECHNOLOGY ABSORPTION

1. Research & Development (R&D)

- (a) Specific areas in which R&D is carried out by the Company.

The Company subscribes to Tea Research Association which is registered under Section 35(1)(ii) of the Income Tax Act, 1961.

- (b) Benefits derived as a result of the above R & D

- (c) Future plan of action

- (d) Expenditure on R & D

i. Capital

ii. Recurring

iii. Total

iv. Total R&D Expenditure as a percentage of total turnover

2. Technology absorption, adaptation and innovation

- a. Effects in brief made towards technology absorption, adaptation and innovation

Not Applicable

- b. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

ANNEXURE TO DIRECTORS' REPORT (Contd.)**3. Foreign Exchange earnings and outgo :**

- | | |
|---|----------------|
| a. Activities relating to export initiatives taken to increase exports | |
| b. Development of new export markets for products and services and export plan. | Not Applicable |
| c. Total foreign exchange | |
| Used | Rs. 0.41 lacs |
| Earned (gross) | Nil |



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REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, norms and disclosures that have to be made on the Corporate Governance front are set out. In this report, we confirm your Company's compliance with the Corporate Governance criteria as required under Clause 49.

The basic objective of Corporate Governance adopted by your Board is to ensure accountability and transparency in the functioning of the management with emphasis on integrity and regularity in day to day functioning of your Company.

It is believed by your Board that Corporate Governance must balance individual interests with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice.

2. BOARD OF DIRECTORS

The composition of the Board is in conformity with the Code of Corporate Governance under the Listing Agreement. Details of the Directors and their directorships/memberships in Committees of other companies (excluding Assambrook Limited, Private Limited Companies and Foreign Companies) are as under :

Name of Directors	Category of Directorship (\$)	Attendance at		No. of other Directorship held	No. of Board Committee of which Member/Chairman
		Board Meetings	Annual General Meeting (27 Dec 2002)		
Shri Surendra Rampuria	MD	11	Yes	1	Nil
Shri Siddharth Rampuria	WTD	11	Yes	1	Nil
Shri Gautam Rampuria	PD	5	Yes	2	Nil
Shri M.P. Wadhawan	NED	6	Yes	3	3/2
Shri A. Ghosh	NED	7	Yes	12	7/3
Shri G. Momen	NED	9	Yes	11	5/0
Shri N.C.Suri#	NED	Nil	NA	Nil	Nil
Shri R.K. Khanna*	NED	Nil	NA	Nil	Nil

\$ MD - Managing Director

\$ WTD - Wholtime Director

\$ PD - Promoter Director

\$ NED - Non-Executive Director

Resigned on 27 December, 2002

* Resigned on 28 April, 2003

During the eighteen-month period ended on 30 September, 2003, eleven Board Meetings were held on :-

31 May 2002, 28 June 2002, 26 July 2002, 30 October 2002, 27 December 2002, 30 January 2003, 28 April 2003, 19 May 2003, 27 June 2003, 30 July 2003 and 12 September 2003.